

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re: Horizon Ridge Medical & Corporate Center, LLC

Case No. 12-13906-LBR

**CHAPTER 11
MONTHLY OPERATING REPORT
(SMALL REAL ESTATE/INDIVIDUAL CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 10/31/13PETITION DATE: 04/02/12

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).

Dollars reported in \$1

| | <u>End of Current Month</u> | <u>End of Prior Month</u> | <u>As of Petition Filing</u> |
|--|---------------------------------|-------------------------------|----------------------------------|
| 2. Asset and Liability Structure | | | |
| a. Current Assets | \$285,022 | \$283,841 | |
| b. Total Assets | \$4,260,022 | \$4,258,841 | \$4,447,807 |
| c. Current Liabilities | \$0 | \$0 | |
| d. Total Liabilities | \$4,130,837 | \$4,130,837 | \$4,130,837 |
| | | | <u>Cumulative</u> |
| 3. Statement of Cash Receipts & Disbursements for Month | <u>Current Month</u> | <u>Prior Month</u> | <u>(Case to Date)</u> |
| a. Total Receipts | \$31,505 | \$33,265 | \$739,577 |
| b. Total Disbursements | \$11,737 | \$9,232 | \$331,838 |
| c. Excess (Deficiency) of Receipts Over Disbursements (a - b) | \$19,769 | \$24,033 | \$407,740 |
| d. Cash Balance Beginning of Month | \$374,361 | \$350,328 | \$2,707,922 |
| e. Cash Balance End of Month (c + d) | \$394,130 | \$374,361 | \$3,115,662 |
| | | | <u>Cumulative</u> |
| 4. Profit/(Loss) from the Statement of Operations | <u>Current Month</u> | <u>Prior Month</u> | <u>(Case to Date)</u> |
| 5. Account Receivables (Pre and Post Petition) | N/A | N/A | N/A |
| 6. Post-Petition Liabilities | \$0 | | |
| 7. Past Due Post-Petition Account Payables (over 30 days) | \$0 | | |

At the end of this reporting month:

- | | <u>Yes</u> | <u>No</u> |
|--|------------|-----------|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | | X |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) | | X |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | | X |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | | X |
| 12. Is the estate insured for replacement cost of assets and for general liability? | X | |
| 13. Are a plan and disclosure statement on file? | X | |
| 14. Was there any post-petition borrowing during this reporting period? | | X |
| 15. Check if paid: Post-petition taxes <u>x</u> ; U.S. Trustee Quarterly Fees <u>x</u> ; Check if filing is current for: Post-petition tax reporting and tax returns: <u>x</u> . (Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.) | | |

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 1/14/14

/s/ Rick Abelson
Responsible Individual

BALANCE SHEET
 (Small Real Estate/Individual Case)
 For the Month Ended 10/31/13

| Assets | Check if Exemption Claimed on <u>Schedule C</u> | <u>Market Value</u> |
|--|--|---------------------|
| Current Assets | | |
| 1 Cash and cash equivalents (including bank accts., CDs, etc.) | _____ | \$197,167 |
| 2 Accounts receivable (net) | _____ | _____ |
| 3 Retainer(s) paid to professionals | _____ | _____ |
| 4 Other: Tenant Improvements | _____ | \$87,855 |
| 5 _____ | _____ | _____ |
| 6 Total Current Assets | | \$285,022 |
| Long Term Assets (Market Value) | | |
| 7 Real Property (residential) | _____ | _____ |
| 8 Real property (rental or commercial) | _____ | \$3,975,000 |
| 9 Furniture, Fixtures, and Equipment | _____ | _____ |
| 10 Vehicles | _____ | _____ |
| 11 Partnership interests | _____ | _____ |
| 12 Interest in corporations | _____ | _____ |
| 13 Stocks and bonds | _____ | _____ |
| 14 Interests in IRA, Keogh, other retirement plans | _____ | _____ |
| 15 Other: _____ | _____ | _____ |
| 16 _____ | _____ | _____ |
| 17 Total Long Term Assets | | \$3,975,000 |
| 18 Total Assets | | \$4,260,022 |
| Liabilities | | |
| Post-Petition Liabilities | | |
| Current Liabilities | | |
| 19 Post-petition not delinquent (under 30 days) | _____ | _____ |
| 20 Post-petition delinquent other than taxes (over 30 days) | _____ | _____ |
| 21 Post-petition delinquent taxes | _____ | _____ |
| 22 Accrued professional fees | _____ | _____ |
| 23 Other: _____ | _____ | _____ |
| 24 _____ | _____ | _____ |
| 25 Total Current Liabilities | | \$0 |
| 26 Long-Term Post Petition Debt | | _____ |
| 27 Total Post-Petition Liabilities | | \$0 |
| Pre-Petition Liabilities (allowed amount) | | |
| 28 Secured claims (residence) | _____ | _____ |
| 29 Secured claims (other) | _____ | \$4,122,364 |
| 30 Priority unsecured claims | _____ | _____ |
| 31 General unsecured claims | _____ | \$8,473 |
| 32 Total Pre-Petition Liabilities | | \$4,130,837 |
| 33 Total Liabilities | | \$4,130,837 |
| Equity (Deficit) | | |
| 34 Total Equity (Deficit) | | \$129,185 |
| 35 Total Liabilities and Equity (Deficit) | | \$4,260,022 |

*Debtor disputes Bank of America's asserted claim and contends that Bank of America's claim does not exceed \$3.87 million as of the petition d

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

SCHEDULES TO THE BALANCE SHEET**Schedule A
Rental Income Information****List the Rental Information Requested Below By Properties (For Rental Properties Only)**

| | <u>Property 1</u> | <u>Property 2</u> | <u>Property 3</u> |
|--|--------------------------------|--------------------------|--------------------------|
| 1 Description of Property | <u>2610 Horizon Ridge Pkwy</u> | <u></u> | <u></u> |
| 2 Scheduled Gross Rents | <u>\$31,269</u> | <u></u> | <u></u> |
| Less: | | | |
| 3 Vacancy Factor | <u>\$3,958</u> | <u></u> | <u></u> |
| 4 Free Rent Incentives | <u></u> | <u></u> | <u></u> |
| 5 Other Adjustments | <u></u> | <u></u> | <u></u> |
| 6 Total Deductions | <u>\$3,958</u> | <u>\$0</u> | <u>\$0</u> |
| 7 Scheduled Net Rents | <u>\$27,311</u> | <u>\$0</u> | <u>\$0</u> |
| 8 Less: Rents Receivable (2) | <u></u> | <u></u> | <u></u> |
| 9 Scheduled Net Rents Collected (2) | <u>\$27,311</u> | <u>\$0</u> | <u>\$0</u> |

(2) To be completed by cash basis reporters only.

**Schedule B
Recapitulation of Funds Held at End of Month**

| | <u>Account 1</u> | <u>Account 2</u> | <u>Account 3</u> |
|--|--------------------------|-------------------------|-------------------------|
| 10 Bank | <u>Nevada State Bank</u> | <u>Wells Fargo</u> | <u>Wells Fargo</u> |
| 11 Account No. | <u>x1491</u> | <u>xxxxxx2734</u> | <u>x4665</u> |
| 12 Account Purpose | <u>Operating</u> | <u>(Combined)</u> | <u>(DIP)</u> |
| 13 Balance, End of Month | <u>\$11,016</u> | <u>\$3,004</u> | <u>\$183,147</u> |
| 14 Total Funds on Hand for all Accounts | <u><u>\$197,167</u></u> | | |

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended 10/31/13**

| | | <u>Actual</u> <u>Current Month</u> | <u>Cumulative</u> <u>(Case to Date)</u> |
|---------------------------|--|---------------------------------------|--|
| Cash Receipts | | | |
| 1 | Rent/Leases Collected | \$29,389 | \$663,962 |
| 2 | Cash Received from Sales | | |
| 3 | Interest Received | | |
| 4 | Borrowings | | |
| 5 | Funds from Shareholders, Partners, or Other Insiders | | |
| 6 | Capital Contributions | | |
| 7 | Parking | \$175 | \$3,534 |
| 8 | Signage | \$210 | \$4,725 |
| 9 | Sewer/Water Pass thru | \$700 | \$13,155 |
| 10 | CAM Charges | \$1,031 | \$20,620 |
| 11 | Late Fees/Processing Fees | \$0 | \$33,581 |
| 12 | Total Cash Receipts | \$31,505 | \$739,577 |
| Cash Disbursements | | | |
| 13 | Selling | | |
| 14 | Administrative | | |
| 15 | Capital Expenditures | | |
| 16 | Principal Payments on Debt | | |
| 17 | Interest Paid | | |
| | Rent/Lease: | | |
| 18 | Personal Property | | |
| 19 | Real Property | | |
| | Amount Paid to Owner(s)/Officer(s) | | |
| 20 | Salaries | | |
| 21 | Draws | | |
| 22 | Commissions/Royalties | | |
| 23 | Expense Reimbursements | | |
| 24 | Other | | |
| 25 | Salaries/Commissions (less employee withholding) | | |
| 26 | Management Fees | | |
| | Taxes: | | |
| 27 | Employee Withholding | | |
| 28 | Employer Payroll Taxes | | |
| 29 | Real Property Taxes | | |
| 30 | Other Taxes | | |
| 31 | Other Cash Outflows: | | |
| 32 | Administrative | \$611 | \$2,982 |
| 33 | Maintenance and Repairs | \$4,978 | \$143,599 |
| 34 | Utilities | \$4,463 | \$14,773 |
| 35 | Adjustments (Pre-paid rent, utilities, etc.) | (\$15) | \$163,684 |
| 36 | Management | \$1,700 | \$6,800 |
| 37 | Total Cash Disbursements: | \$11,737 | \$331,838 |
| 38 | Net Increase (Decrease) in Cash | \$19,769 | \$407,740 |
| 39 | Cash Balance, Beginning of Period | \$374,361 | \$2,707,922 |
| 40 | Cash Balance, End of Period | \$394,130 | \$3,115,662 |

Monthly Report

October 2013

Horizon Ridge Medical Corporation Center, LLC

Prepared by:

**MDL GROUP
3065 South Jones Boulevard
Suite 201
Las Vegas, Nevada 89146
Phone: (702) 388-1800
Fax: (702) 388-1010
www.mdlgroup.com**

Executive Summary

Building Information

| | | | |
|-------------------|-----------------------------------|--------------|---------------------------------|
| Property Address: | 2610 Horizon Ridge | | |
| Also known as | Horizon Ridge Medical Center, LLC | | |
| Month Ending | 10/31/13 | Prepared By: | Judy Clifford, Property Manager |

Occupancy

| | Sq. Footage | % | |
|---------------------|-------------|------|--|
| Leased and Occupied | 23,602 | 86% | |
| Leased NOT Occupied | 0 | | |
| Vacant | 3,958 | 14% | |
| Total | 27,560 | 100% | |

Changes in Occupancy (Move Outs/Move In)

| Tenant | Sq. Footage | Date | Comments |
|--------|-------------|------|----------|
| n/a | | | |

Pending Lease Negotiations

| Tenant | Sq. Footage | Last Activity Date | Comments |
|--------|-------------|--------------------|----------|
| n/a | | | |

Expiring Lease (next 6 months)

| Tenant | Sq. Footage | Expiration | Status |
|------------------------|-------------|------------|--------------------------|
| Dr. Nancy Sylvania | 161 | 01/31/13 | MTM |
| Upper V Capital | 2,415 | 02/28/14 | Chat negotiates renewals |
| Deblanc Music | 665 | 01/31/14 | Chat negotiates renewals |
| Hair Styling Las Vegas | 1,295 | 04/30/14 | Chat negotiates renewals |

Cash Balances

| | | | |
|----------------|--------------|--|--|
| Beginning Cash | \$ 6,230.01 | | |
| Ending Balance | \$ 10,301.58 | | |

Income and Expenses

| | Current Month | YTD | |
|-----------------------------|---------------|---------------|--|
| Total Income | \$ 31,505.37 | \$ 388,590.38 | |
| Total Operating Expense | \$ 11,736.75 | \$ 90,551.92 | |
| Tenant Improvement | \$ - | \$ - | |
| Brokerage Commissions | \$ - | \$ - | |
| Mortgage Payment (P & I) | \$ - | \$ - | |
| Mortgage Reserves | \$ - | \$ - | |
| Net Operating Income (Loss) | \$ 19,768.62 | \$ 298,038.46 | |
| Owner Distribution | \$ 25,801.68 | \$ 292,450.70 | |
| Owner Contribution | \$ - | \$ - | |

Budget Variances (> \$500.00 variances listed only)

| Category | Actual | Budget | Comment |
|-----------------------|-------------|-----------|---|
| Repairs & Maintenance | \$ 1,445.23 | \$ 700.00 | Clean carpet/tile/paint for 206; not budgeted |
| Sewer | \$ 1,099.59 | \$ 400.00 | Infrastructure increase in Henderson |
| Water | \$ 1,348.11 | \$ 540.00 | Infrastructure increase in Henderson |

Delinquencies

| Tenant | Current | Total | Comment |
|------------------------|-------------|--------------|---|
| Madame Et Monsieur | \$ 5,019.00 | \$ 11,124.00 | Short pays/late fees. Balance and late fees accruing. |
| Hair Styling Las Vegas | \$ 178.07 | \$ 178.07 | Electric/gas |
| Deblanc Music | \$ 5.96 | \$ 5.96 | Electric/gas |

TI Projects

| Tenant | Est. Completion Date | | Cost to Finish |
|--------|----------------------|--|----------------|
| n/a | | | |

| Capital Projects | | | |
|---------------------|----------------------|--|----------------|
| Type | Est. Completion Date | | Cost to Finish |
| n/a | | | |
| Additional Comments | | | |
| n/a | | | |

OWNER/MGMT ONLY
NOT FOR THIRD PARTY**Balance Sheet (Cash)**
HORIZON MEDICAL CENTER - (horizon)
October 2013

11-11-13

Page 1
11/7/2013
06:26 PM
mdl**ASSETS**

| | |
|--------------------|-----------|
| CASH | |
| Operating Checking | 10,301.58 |
| TOTAL CASH | 10,301.58 |

OTHER ASSETS

| | |
|--------------------|---------|
| Deposits | 99.70 |
| Deposits - Other | -312.00 |
| TOTAL OTHER ASSETS | -212.30 |

TOTAL ASSETS

10,089.28

LIABILITIES & CAPITAL**LIABILITIES**

| | |
|------------------------|-----------|
| Prepaid Rent | 14,770.04 |
| Prepaid Cam | 1,997.00 |
| Prepaid Parking Income | 70.00 |
| Prepaid Signage | 35.00 |
| Prepaid water & sewer | 200.00 |
| Tenant Deposits | 8,569.17 |
| TOTAL LIABILITIES | 25,641.21 |

CAPITAL

| | |
|--------------------|------------|
| Capital | 330,386.09 |
| Owner Contribution | 4,734.55 |
| Owner Distribution | 648,711.03 |
| Retained Earnings | 298,038.46 |
| TOTAL CAPITAL | -15,551.93 |

TOTAL LIABILITIES & CAPITAL

10,089.28

OWNER/MGMT ONLY
NOT FOR THIRD PARTYIncome Statement (Cash)
HORIZON MEDICAL CENTER - (horizon)
October 2013Page 1
11/7/2013
06:26 PM
mdl

| | Month to Date | % | Year to Date | % |
|------------------------------|------------------|---------------|-------------------|---------------|
| RENT INCOME | | | | |
| Rent | 29,389.37 | 93.28 | 360,719.48 | 92.83 |
| Parking Income | 175.00 | 0.56 | 1,750.00 | 0.45 |
| Signage | 210.00 | 0.67 | 2,240.00 | 0.58 |
| NET RENT INCOME | 29,774.37 | 94.51 | 364,709.48 | 93.85 |
| EXPENSE REIMBURSEMENT | | | | |
| Passthru Sewer & Water | 700.00 | 2.22 | 6,000.00 | 1.54 |
| Estimated CAM Charges | 1,031.00 | 3.27 | 10,310.00 | 2.65 |
| TOTAL REIMBURSEMENT | 1,731.00 | 5.49 | 16,310.00 | 4.20 |
| OTHER INCOME | | | | |
| Late Fee | 0.00 | 0.00 | 7,520.90 | 1.94 |
| Processing Fee | 0.00 | 0.00 | 50.00 | 0.01 |
| TOTAL OTHER INCOME | 0.00 | 0.00 | 7,570.90 | 1.95 |
| TOTAL INCOME | 31,505.37 | 100.00 | 388,590.38 | 100.00 |

EXPENSES**Operating Exp-Reimbursable**

| | | | | |
|-----------------------------------|----------|------|-----------|------|
| Bank Charges | 10.00 | 0.03 | 110.00 | 0.03 |
| Electricity | 1,217.93 | 3.87 | 9,941.35 | 2.56 |
| Elevator Inspec & Repair | 1,174.26 | 3.73 | 4,765.66 | 1.23 |
| Fees | 0.00 | 0.00 | 77.00 | 0.02 |
| Fire Alarm Inspection | 0.00 | 0.00 | 190.00 | 0.05 |
| Fire Sprinkler Inspection/Service | 0.00 | 0.00 | 190.00 | 0.05 |
| Fire Alarm Monitoring | 360.29 | 1.14 | 2,057.98 | 0.53 |
| Gas | 81.27 | 0.26 | 1,244.77 | 0.32 |
| HVAC - R&M | 0.00 | 0.00 | 775.00 | 0.20 |
| Insurance - Package/Umbrella | 445.90 | 1.42 | 4,245.68 | 1.09 |
| Janitorial Service | 1,200.00 | 3.81 | 10,350.00 | 2.66 |
| Landscaping - Contract | 550.00 | 1.75 | 5,500.00 | 1.42 |
| Landscaping Maint. - Extras | 0.00 | 0.00 | 150.00 | 0.04 |
| Maintenance Supplies | 63.32 | 0.20 | 615.32 | 0.16 |
| Management Fees | 1,700.00 | 5.40 | 17,000.00 | 4.37 |
| Office Supplies | 0.00 | 0.00 | 81.06 | 0.02 |
| Pest Control | 185.00 | 0.59 | 950.00 | 0.24 |
| Repairs & Maintenance | 1,445.23 | 4.59 | 6,626.87 | 1.71 |
| Security System | 154.99 | 0.49 | 1,208.91 | 0.31 |
| Sewer | 1,099.59 | 3.49 | 4,524.81 | 1.16 |
| Telephone | 167.86 | 0.53 | 1,650.59 | 0.42 |
| Trash Disposal | 547.74 | 1.74 | 5,481.52 | 1.41 |
| Water | 1,348.11 | 4.28 | 5,972.19 | 1.54 |
| Window Washing | 0.00 | 0.00 | 1,220.00 | 0.31 |

| | | | | |
|--------------------------------------|------------------|--------------|------------------|--------------|
| TOTAL Reimbursable Oper. Exp. | 11,751.49 | 37.30 | 84,928.71 | 21.86 |
|--------------------------------------|------------------|--------------|------------------|--------------|

NON PASS THRU EXPENSES

| | | | | |
|-------------------------------|--------|-------|----------|------|
| Delivery Service Bank Courier | 5.47 | 0.02 | 57.47 | 0.01 |
| Electricity | -47.30 | -0.15 | 994.05 | 0.26 |
| Gas | 27.09 | 0.09 | 243.01 | 0.06 |
| Postage | 0.00 | 0.00 | 1.52 | 0.00 |
| Repairs & Maintenance | 0.00 | 0.00 | 4,327.16 | 1.11 |

OWNER/MGMT ONLY
NOT FOR THIRD PARTYIncome Statement (Cash)
HORIZON MEDICAL CENTER - (horizon)
October 2013Page 2
11/7/2013
06:26 PM
mdl

| | Month to Date | % | Year to Date | % |
|--------------------------|---------------|-------|--------------|-------|
| TOTAL Non Pass Thru Exp. | -14.74 | -0.05 | 5,623.21 | 1.45 |
| TOTAL Operating Expenses | 11,736.75 | 37.25 | 90,551.92 | 23.30 |
| Net Operating Inc (Loss) | 19,768.62 | 62.75 | 298,038.46 | 76.70 |
| NET INCOME (LOSS) | 19,768.62 | 62.75 | 298,038.46 | 76.70 |